



COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Utilities, to which was referred Senate Bill No. 340, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Delete the amendment adopted January 16, 2014.
- 2 Delete everything after the enacting clause and insert the following:
- 3 SECTION 1. IC 8-1-8.5-9 IS ADDED TO THE INDIANA CODE
- 4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 5 1, 2014]: Sec. 9. (a) For purposes of this section, "DSM order"
- 6 refers to an order of the commission that establishes or approves:
- 7 (1) energy efficiency targets or goals for public utilities; or
- 8 (2) an energy efficiency program sponsored by a public utility.
- 9 The term includes the December 29, 2009, order of the commission
- 10 concerning demand side management programs.
- 11 (b) For purposes of this section, "energy efficiency program"
- 12 means a program that is:
- 13 (1) sponsored by a public utility or a third party
- 14 administrator; and
- 15 (2) designed to implement energy efficiency improvements (as
- 16 defined in 170 IAC 4-8-1(j)) for customers.
- 17 The term does not include a program designed primarily to reduce
- 18 demand.
- 19 (c) For purposes of this section, "industrial customer" means a
- 20 person that receives services constituting more than one (1)

1 megawatt of electric capacity from a public utility.

2 (d) An industrial customer may opt out of participating in an
3 energy efficiency program that is established by a public utility in
4 response to a DSM order by providing notice to the public utility.
5 Except as provided in subsection (e), a public utility may not
6 charge an industrial customer that opts out rates that include
7 energy efficiency program costs that accrue or are incurred after
8 the date on which the industrial customer opts out. For purposes
9 of this subsection, costs for an energy efficiency program include:

10 (1) program costs;

11 (2) lost revenues; and

12 (3) incentives approved by the commission.

13 However, an industrial customer remains liable for rates that
14 include energy efficiency program costs that accrued or were
15 incurred before the date on which the industrial customer opts out,
16 regardless of the date on which the rates are actually assessed
17 against the industrial customer.

18 (e) An industrial customer that opts out of participating in an
19 energy efficiency program may subsequently opt to participate in
20 the same or a different energy efficiency program. The industrial
21 customer must participate in the subsequent energy efficiency
22 program for at least three (3) years after the date on which the
23 industrial customer opts in. If the industrial customer terminates
24 participation in the subsequent energy efficiency program during
25 the three (3) year period described in this subsection, the industrial
26 customer shall continue paying energy efficiency program rates,
27 including costs described in subsection (d), for the remainder of the
28 three (3) year period.

29 (f) Energy efficiency targets or goals that are approved or
30 mandated by the commission in a DSM order must be calculated
31 to exclude all load from an industrial customer that opts out under
32 subsection (d).

33 (g) The commission may adopt:

34 (1) rules under IC 4-22-2; or

35 (2) guidelines;

36 to assist public utilities and industrial customers in complying with
37 this section.

38 (h) Not later than August 15, 2014, the commission shall prepare
39 a status report on all energy efficiency programs implemented
40 under the DSM order issued by the commission on December 29,
41 2009. The commission shall provide the status report in an
42 electronic format under IC 5-14-6 to the regulatory flexibility

1 committee and legislative council. The status report must consider
2 the following:

3 (1) The status and effectiveness of all energy efficiency
4 programs, including whether efficiency gains attributable to
5 a federal conservation program are being measured as part
6 of an energy efficiency program implemented under the 2009
7 DSM order.

8 (2) The degree to which energy efficiency program costs are
9 shifted among customer classes.

10 (3) Program costs to date.

11 (4) Program costs projected to be incurred in complying with
12 all DSM orders.

13 (5) The actual impact of program costs on all customer rates
14 and the projected impact of program costs on all customer
15 rates upon full implementation of the 2009 DSM order.

16 (6) Current and projected costs and benefits of current and
17 anticipated energy efficiency programs, including costs and
18 benefits associated with third party administrators and
19 evaluation, measurement, and verification contractors.

20 (7) The effectiveness of energy efficiency programs in
21 reducing energy consumption and demand.

22 (8) Any additional information or recommendations the
23 commission determines is necessary.

24 **This subsection expires December 31, 2014.**

(Reference is to SB 340 as introduced.)

and when so amended that said bill do pass .

Committee Vote: Yeas 7, Nays 3.

Senator Merritt, Chairperson